

104TH CONGRESS
1ST SESSION

H. R. 1559

To prevent unfair billing and charging practices for information services provided over calls to 800 numbers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 3, 1995

Mr. GORDON introduced the following bill; which was referred to the Committee on Commerce

A BILL

To prevent unfair billing and charging practices for information services provided over calls to 800 numbers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Freedom From Toll
5 Fraud Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) Reforms required by the Telephone Disclo-
9 sure and Dispute Resolution Act of 1992 have im-
10 proved the reputation of the pay-per-call industry

1 and resulted in regulations that have reduced the in-
2 cidence of misleading practices that are harmful to
3 the public interest.

4 (2) Among the successful reforms is a prohibi-
5 tion on charges being assessed for calls to 800 tele-
6 phone numbers or other telephone numbers adver-
7 tised or widely understood to be toll free.

8 (3) Nevertheless, certain interstate pay-per-call
9 businesses are taking advantage of an exception in
10 the prohibition on charging for information conveyed
11 during a call to a “toll-free” number to continue to
12 engage in misleading practices. These practices are
13 not in compliance with the intent of Congress in
14 passing the Telephone Disclosure and Dispute Reso-
15 lution Act.

16 (4) Therefore, it is necessary for Congress to
17 clarify that its intent is that charges for information
18 provided during a call to an 800 number or other
19 number widely advertised and understood to be toll
20 free shall not be assessed to the calling party unless
21 the calling party agrees to be billed according to the
22 terms of a written subscription agreement.

1 **SEC. 2. AMENDMENT TO THE COMMUNICATIONS ACT OF**
2 **1934.**

3 (a) AMENDMENT.—Section 228(c) of the Commu-
4 nications Act of 1934 (47 U.S.C. 228(c)) is amended—

5 (1) by striking subparagraph (C) of paragraph
6 (7) and inserting the following:

7 “(C) the calling party being charged for in-
8 formation conveyed during the call unless—

9 “(i) the calling party has a written
10 subscription agreement with the informa-
11 tion provider that meets the requirements
12 of paragraph (8); or

13 “(ii) the calling party is charged in
14 accordance with paragraph (9); or”; and

15 (2) by adding at the end the following new
16 paragraphs:

17 “(8) SUBSCRIPTION AGREEMENTS FOR BILLING
18 FOR INFORMATION PROVIDED VIA TOLL-FREE
19 CALLS.—

20 “(A) IN GENERAL.—For purposes of para-
21 graph (7)(C)(i), a written subscription agree-
22 ment shall specify the terms and conditions
23 under which the information is offered and in-
24 clude—

25 “(i) the rate at which charges are as-
26 sessed for the information;

1 “(ii) the information provider’s name;

2 “(iii) the information provider’s busi-
3 ness address;

4 “(iv) the information provider’s regu-
5 lar business telephone number;

6 “(v) the information provider’s agree-
7 ment to notify the subscriber at least 30
8 days in advance of all future changes in
9 the rates charged for the information;

10 “(vi) the signature of a legally com-
11 petent subscriber agreeing to the terms of
12 the agreement; and

13 “(vii) the subscriber’s choice of pay-
14 ment method, which may be by phone bill
15 or credit or calling card.

16 “(B) BILLING ARRANGEMENTS.—If a sub-
17 scriber elects, pursuant to subparagraph
18 (A)(vii), to pay by means of a phone bill—

19 “(i) the agreement shall clearly ex-
20 plain that the subscriber will be assessed
21 for calls made to the information service
22 from the subscribers phone line;

23 “(ii) the phone bill shall include, in
24 prominent type, the following disclaimer:

1 ‘Common carriers may not dis-
2 connect local or long distance tele-
3 phone service for failure to pay dis-
4 puted charges for information serv-
5 ices.’; and

6 “(iii) the phone bill shall clearly list
7 the 800 number dialed.

8 “(C) USE OF PIN’S TO PREVENT UNAU-
9 THORIZED USE.—A written agreement does not
10 meet the requirements of this paragraph unless
11 it provides the subscriber a personal identifica-
12 tion number to obtain access to the information
13 provided, and includes instructions on its use.

14 “(D) EXCEPTIONS.—Notwithstanding
15 paragraph (7)(C), a written agreement that
16 meets the requirements of this paragraph is not
17 required—

18 “(i) for services provided pursuant to
19 a tariff that has been approved or per-
20 mitted to take effect by the Commission or
21 a State commission; or

22 “(ii) for any purchase of goods or of
23 services that are not information services.

24 “(E) TERMINATION OF SERVICE.—On
25 complaint by any person, a carrier may termi-

1 nate the provision of service to an information
2 provider unless the provider supplies evidence of
3 a written agreement that meets the require-
4 ments of this section. The remedies provided in
5 this paragraph are in addition to any other
6 remedies that are available under title V of this
7 Act.

8 “(9) CHARGES BY CREDIT OR CALLING CARD IN
9 ABSENCE OF AGREEMENT.—For purposes of para-
10 graph (7)(C)(ii), a calling party is not charged in ac-
11 cordance with this paragraph unless the calling
12 party is charged by means of a credit or calling card
13 and the information service provider includes in re-
14 sponse to each call an introductory disclosure mes-
15 sage that—

16 “(A) clearly states that there is a charge
17 for the call;

18 “(B) clearly states the service’s total cost
19 per minute and any other fees for the service or
20 for any service to which the caller may be
21 transferred;

22 “(C) explains that the charges must be
23 billed on either a credit or calling card;

24 “(D) asks the caller for the credit or call-
25 ing card number;

1 “(E) clearly states that charges for the call
2 begin at the end of the introductory message;
3 and

4 “(F) clearly states that the caller can hang
5 up at or before the end of the introductory mes-
6 sage without incurring any charge whatsoever.

7 “(10) DEFINITION OF CALLING CARD.—As used
8 in this subsection, the term ‘calling card’ means an
9 identifying number or code unique to the individual,
10 that is issued to the individual by a common carrier
11 and enables the individual to be charged by means
12 of a phone bill for charges incurred independent of
13 where the call originates.”.

14 (b) REGULATIONS.—The Federal Communications
15 Commission shall revise its regulations to comply with the
16 amendment made by subsection (a) of this section within
17 180 days after the date of enactment of this Act.

18 **SEC. 3. AMENDMENT TO TITLE II OF TDDRA.**

19 Section 204(1) of the Telephone Disclosure and Dis-
20 pute Resolution Act is amended to read as follows:

21 “(1) The term ‘pay-per-call services’ has the
22 meaning provided in section 228(i)(1) of the Com-
23 munications Act of 1934, except that the Commis-
24 sion by rule may, notwithstanding subparagraphs
25 (B) and (C) of such section, extend such definition

1 to other similar services providing audio information
2 or audio entertainment if the Commission deter-
3 mines that such services are susceptible to the unfair
4 and deceptive practices that are prohibited by the
5 rules prescribed pursuant to section 201(a).”.

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